

Equitable Reports Record Q2 Earnings, Digital Growth, Proposed Stock Split *Canada's Challenger Bank™ Matches Ambitious Growth Targets with Strong Execution*

Toronto, Ontario (July 28, 2021): Equitable Group Inc. (TSX: EQB and EQB.PR.C) (“Equitable” or the “Bank”) today reported record earnings for the three and six months ended June 30, 2021, as Equitable Bank (Canada’s Challenger Bank™) continued to deliver on its ambitious annual growth targets while investing in the expansion of its services and technology to drive change that enriches the lives of Canadians.

Q2 Net Earnings \$70.8 million, +\$18.3 million or +35% from 2020

- Q2 diluted EPS \$4.05, +33% from Q2 2020

ROE 16.5% with \$100 million in Excess Capital

- Q2 ROE towards high end of 15-17% target, and 1.8% better than 14.7% in Q2 2020
- CET1 14.4% vs. mid-point target of 13.5%, or excess capital of nearly \$6 per share
- Efficiency remaining in target range of 39-41% at 40.9% in Q2 and 39.6% YTD

Book Value Surpasses \$100 per share

- Book value +20% y/y to \$101.94 per share and +\$4.08 or +4% from Q1 2021

Customers and Digital – Growing & Deepening

- Now serving nearly 300,000 Canadians, with EQ Bank digital customers +79% y/y to 222,000 and deposits +99% y/y to over \$6.5 billion
- Digital transactions +101% y/y, average products per customer +44%, customer lifetime value more than 10 times higher than account acquisition costs

Conventional Lending Driving Asset Growth

- Loans under management +9% y/y to \$35.4 billion
- Single family alternative loan originations +200% y/y to \$1.8 billion, reverse mortgage originations +318% y/y to \$45 million, and Commercial loan originations +16% y/y to \$0.7 billion

“Earlier this year, we significantly upgraded our growth forecast and in so doing, challenged ourselves to do more for customers, partners, and shareholders. Through Q2, Equitable delivered to this guidance. On the strength of great execution by our team and meaningful innovations in our challenger bank services, each area of the Bank registered growth. EQ Bank deposits grew 99% over 2020 to a record \$6.5 billion, an indication that digital services like our new US Dollar Account are driving the kind of change that enriches the lives of our customers. This past quarter was also an excellent illustration of how we’re positioning to drive future earnings, with double-digit loan origination growth reflecting strong contributions from alternative single family, reverse mortgages, Cash Surrender Value lines of credit and conventional commercial loans where Equitable stands out for responsive service, effective underwriting, and risk management. For shareholders, Q2 featured record earnings, high ROE, and an industry best efficiency ratio, even as we purposely drive higher investment to seed future growth. With the tailwinds of an improving economy and the positive impact of service expansions, Equitable is in a great position to realize its objectives this year and beyond, on behalf of almost 300,000 customers, our valued shareholders, and business partners,” said Andrew Moor, President and Chief Executive Officer.

Record Results Put Equitable on Pace to Achieve Ambitious 2021 Outlook

- Equitable raised its outlook for 2021 in May and based on growth trends in Q2 and through the first half of the year, the Bank is running on or ahead of that guidance.
- EQ Bank deposit growth of 43% or \$2.0 billion since December 31, 2020 compares to full year targeted growth of 30-50%.
- Total loan growth of 8% year over year and 6% or \$1.6 billion since December 31, 2020 compares to full year targeted growth of 8-12%.
- Conventional Commercial and Personal loan growth positively impacted earnings in Q2 and is expected to create additional momentum for earnings growth in 2022.

EQ Bank Now Serves approximately 222,000 Canadians, Deposits Exceed \$6.5 Billion

- EQ Bank deposits increased 99% year over year to over \$6.5 billion at June 30, 2021, reflecting customer growth and the growing popularity of services including the recently launched EQ Bank US Dollar Account and Mortgage Marketplace.
- EQ Bank term deposits increased 267% year over year and 191% during the second quarter.
- Transactions on the platform increased 101% over Q2 last year, while products per customer grew 44%, both indications of strong and growing customer engagement.

New EQ Bank US Dollar Account Expands Challenger Bank Services

- In June, EQ Bank added a US Dollar Account to its ever-expanding suite of smarter digital banking products, making it simpler, faster, and more economic to purchase, hold and transfer US dollars internationally with complete digital account opening and usage, that eliminates monthly fees and paperwork. This account offers a very competitive U.S. and Canadian currency exchange rate that also adds fee-based revenue for Equitable.
- The same interest rate is available on the recently introduced Equitable Bank U.S. High Interest Savings Account. The introduction of these new US dollar products is based on the Bank's recognition that Canadians need smarter options to more easily grow their US funds and the opportunity created by the recent extension of CDIC coverage to foreign currency accounts.
- During the quarter, EQ Bank added more currencies to its innovative and cost-effective international money transfer service, bringing the total to 45 currencies at the end of Q2.

Equitable Bank Receives CMHC Approval to Launch \$2 Billion Covered Bond Program

- Subsequent to quarter end, the Bank was very pleased to announce that CMHC approved Equitable's \$2 billion legislative covered bond program, which will contribute to lower cost of funds and become an important part of the Bank's funding diversification plan.
- The first issuance of approximately €250-€300 million is expected early this fall. Equitable's covered bonds will be senior, unsecured and unconditional obligations of Equitable Bank and will rank pari passu in right of payment with all of the Bank's deposit liabilities.

Total Deposits Top \$18.4 Billion on Diversified Customer and Channel Growth

- Equitable Bank's total deposits were up 18% year over year to \$18.4 billion from \$15.6 billion a year ago, and up 6% within the second quarter.
- Equitable Bank's Deposit Note Program reached \$1.05 billion during the quarter – 197% higher than a year ago – with the successful offering of an additional \$150 million principal amount of 1.774% fixed rate notes maturing September 21, 2023, priced at 90 basis points over the interpolated Government of Canada curve (representing the lowest ever spread with a re-opening yield of 1.384%). The offering was approximately four times oversubscribed, reflecting the Bank's strong credit performance.

Loans Under Management Reach \$35.4 Billion with Strong Growth in Alternative Single Family and Conventional Commercial

- Loans Under Management increased 9% since Q2 2020 or \$3.0 billion – driven by growth in all Personal and Commercial segment business lines – and grew 4%, or \$1.2 billion, in Q2 2021 alone.
- Loan principal for the Personal Bank grew 6% year over year to \$20.1 billion on origination growth of 34% or \$569 million, while Commercial loan principal increased 12% to \$9.7 billion with originations up 46% or \$431 million.
- Alternative single family mortgage principal, a key driver of the Bank's Personal segment earnings, generated record originations of \$1.8 billion in Q2, three times higher than the average a year ago, with assets now totaling \$12.1 billion (2021 growth target 12-15%).
- Growth in the Commercial Bank's portfolio included a 14% year over year increase in Commercial Finance Group loans (full-year target 20-25%), a 9% increase in Business Enterprise Solutions (full-year target 7-10%), a 9% increase in Multi-unit Insured (full-year target a slight decline), a 31% increase in Specialized Finance (full-year target 20-25%) and a 24% increase in Equipment Leasing (full-year target 5-8%).
- Assets under management reached a record \$37.9 billion, up 9% over the past 12-months (and 3% from Q1 2021) reflecting broad-based growth.

Wealth Decumulation Book Reaches \$165 Million, On Track to 2021 200%+ Target

- Equitable Bank's Wealth Decumulation business increased assets by more than two-fold year over year to \$165 million.
- Reverse mortgage loans increased 273% year over year (full-year growth target 200%+) to \$127 million due to expanded market share and differentiated product terms and features that appeal to a larger audience of Canadian mortgage advisors and clients.
- CSV loans increased 180% year over year (full-year target 150%+) while distribution continues to increase to include new lending arrangements finalized with Sun Life and Manulife and, subsequent to quarter end, a partnership with Desjardins Insurance whereby qualifying policyholders can access Equitable Bank's market-leading product.

Credit Metrics Reflect Long-Term Prudence, Q2 Reserve Release \$5.3 Million

- Reserve releases amounted to \$5.3 million in Q2 (or \$0.23 per share), reflecting an improvement in macroeconomic forecasts used for loss modelling and the large provision for credit losses (PCL) taken a year ago.
- PCL was a net benefit of \$2.0 million in Q2 2021 (Q1 2021 – \$0.8 million), as future expected losses accrued in 2020 were recorded in Q1 and Q2 2020.
- Net impaired loans declined to 0.41% of total loan assets at June 30, 2021 compared to 0.54% a year ago reflecting a reduction of \$29.0 million year over year. At June 30, 2021, net impaired loans were higher than 0.36% in Q1 2021 because of the addition of two commercial loans – \$23.1 million in Alberta which was fully repaid in July 2021 and \$8.9 million in Manitoba – and despite net reductions in impaired single family mortgages and equipment leases. The loan in Manitoba has an LTV of 59% and no loss is expected.
- Equitable remains well reserved for credit losses with allowances as a percentage of total loan assets equaling 19 bps at June 30, 2021 reflecting a decrease in allowances in stage 2 and 3 over last year.
- Stage 3 allowances dropped by \$2.9 million year over year and \$0.8 million since Q1 2021.
- Realized losses remained low at \$4.1 million or 6 basis points relative to total loan assets.

Strong Capital and Liquidity Combined with Positive Credit Rating

- Liquid assets were \$2.9 billion or 9.1% of total assets at June 30, 2021, compared to \$1.9 billion or 6.4% a year ago, a level that is sufficient for the Bank to meet its upcoming obligations even in the unlikely event of further pandemic disruptions in financial markets. Retail and securitization funding markets remain liquid and efficient.
- In a report published on May 26, 2021, Fitch Ratings assigned long-term and short-term ratings of 'BBB-'/ 'F3' respectively to Equitable Bank, with a stable outlook and noted the Bank's capital ratios are higher than many larger bank peers.

ESG – Meaningful Progress in Scope 3 Measurement and Diversity Goals

- Following completion of Scope 1 and 2 greenhouse gas (“GHG”) emissions inventory, the Bank quantified emissions from all Scope 3 categories in Q2, including financed emissions.
- The Scope 3 GHG emissions were quantified using calculation approaches and methodologies from the GHG Protocol and the Partnership for Carbon Accounting Financials (PCAF), and supported by external partner WSP Canada.
- Equitable looks forward to disclosing targets and progress on climate risk and diversity initiatives in our Environmental, Social and Governance annual report next year.

Proposed Two-for-One Stock Split Reflects Growing Market Recognition of Value

- Equitable plans to implement a two-for-one split of issued and outstanding common stock to make ownership more accessible for investors. It intends to use the push-out method whereby shareholders receive additional or replacement security certificates.
- This proposal has been approved by Equitable’s Board of Directors and is subject to shareholder and regulatory approval.
- Further details on the proposal and key dates for shareholders will be included in the special shareholder meeting announcement in August 2021.

Board of Directors Declares Dividends for Third Quarter 2021

- A dividend of \$0.37 per common share will be paid on September 30, 2021 to common shareholders of record at the close of business September 15, 2021.
- A dividend of \$0.373063 per preferred share will be paid on September 30, 2021 to preferred shareholders of record at the close of business on September 15, 2021.
- The dividend rate was unchanged from 2020 reflecting regulatory guidance from OSFI to all federally regulated banks. The Bank intends to resume its previously announced dividend increases once regulatory restrictions are lifted.

“As a leading digital bank, Equitable is challenging not just to enrich lives today or next quarter but for the long term and we are guided accordingly as we plan and invest in our people, technology, customer service innovations and business partnerships,” said Mr. Moor. “In that context, the remaining months of 2021 will feature growth that we expect will hit our targets for the year, but also platform expansions that will set us up for another strong year in 2022.”

Analyst Conference Call and Webcast: 8:30 a.m. Eastern Thursday, July 29, 2021

Equitable’s Andrew Moor, President and Chief Executive Officer, Chadwick Westlake, Chief Financial Officer, and Ron Tratch, Chief Risk Officer will host the second quarter conference call and webcast. To access the call live, please dial (416) 764-8609 five minutes prior to the start time. The listen-only webcast with accompanying slides will be available at eqbank.investorroom.com/events-webcasts.

Call Archive

A replay of the call will be available until August 5, 2021 at midnight at (416) 764-8677 (passcode 015442 followed by the number sign). Alternatively, the webcast will be archived on the Bank’s website.

INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Consolidated balance sheets (unaudited)

(\$000s) As at	June 30, 2021	December 31, 2020	June 30, 2020
Assets:			
Cash and cash equivalents	591,752	557,743	569,688
Restricted cash	507,295	504,039	589,046
Securities purchased under reverse repurchase agreements	100,015	450,203	200,370
Investments	859,925	589,876	566,859
Loans – Personal	20,225,222	19,445,386	19,135,799
Loans – Commercial	9,667,652	8,826,182	8,573,118
Securitization retained interests	203,491	184,844	149,307
Other assets	186,901	188,045	173,059
	32,342,253	30,746,318	29,957,246
Liabilities and Shareholders' Equity			
Liabilities:			
Deposits	18,588,223	16,585,043	15,861,725
Securitization liabilities	11,483,635	11,991,964	11,190,224
Obligations under repurchase agreements	201,271	251,877	598,956
Deferred tax liabilities	67,520	60,880	50,546
Other liabilities	200,067	208,852	256,038
Funding facilities	-	-	500,374
	30,540,716	29,098,616	28,457,863
Shareholders' equity:			
Preferred shares	72,001	72,477	72,557
Common shares	224,997	218,166	213,701
Contributed surplus	8,237	8,092	7,818
Retained earnings	1,513,118	1,387,919	1,257,268
Accumulated other comprehensive loss	(16,816)	(38,952)	(51,961)
	1,801,537	1,647,702	1,499,383
	32,342,253	30,746,318	29,957,246

Consolidated statements of income (unaudited)

(\$000s, except per share amounts)	Three months ended		Six months ended	
	June 30, 2021	June 30, 2020	June 30, 2021	June 30, 2020
Interest income:				
Loans – Personal	164,363	172,019	325,420	353,576
Loans – Commercial	103,169	98,974	204,427	199,180
Investments	3,824	3,315	6,723	5,803
Other	2,606	3,220	5,226	9,167
	273,962	277,528	541,796	567,726
Interest expense:				
Deposits	76,693	94,022	154,478	195,842
Securitization liabilities	55,278	63,302	111,170	130,323
Funding facilities	152	1,497	343	2,703
	132,123	158,821	265,991	328,868
Net interest income	141,839	118,707	275,805	238,858
Non-interest income:				
Fees and other income	5,598	5,130	11,173	11,853
Net gain on loans and investments	4,907	8,653	3,446	122
Gains (losses) on securitization activities and income from securitization retained interests	6,430	(1,160)	18,520	5,342
	16,935	12,623	33,139	17,317
Revenue	158,774	131,330	308,944	256,175
Provision for credit losses	(1,982)	8,847	(2,754)	44,534
Revenue after provision for credit losses	160,756	122,483	311,698	211,641
Non-interest expenses:				
Compensation and benefits	32,396	26,253	61,369	53,148
Other	32,594	25,214	60,938	52,499
	64,990	51,467	122,307	105,647
Income before income taxes	95,766	71,016	189,391	105,994
Income taxes:				
Current	20,698	16,106	42,740	31,686
Deferred	4,267	2,428	6,656	(4,144)
	24,965	18,534	49,396	27,542
Net income	70,801	52,482	139,995	78,452
Dividends on preferred shares	1,111	1,119	2,225	2,238
Net income available to common shareholders	69,690	51,363	137,770	76,214
Earnings per share:				
Basic	4.11	3.06	8.13	4.54
Diluted	4.05	3.05	8.02	4.50

Consolidated statements of comprehensive income (unaudited)

(\$000s)	Three months ended		Six months ended	
	June 30, 2021	June 30, 2020	June 30, 2021	June 30, 2020
Net income	70,801	52,482	139,995	78,452
Other comprehensive income – items that will be reclassified subsequently to income:				
Debt instruments at Fair Value through Other Comprehensive Income:				
Net unrealized (losses) gains from change in fair value	(1,570)	3,899	(3,228)	3,074
Reclassification of net losses (gains) to income	178	(351)	1,317	(1,019)
Other comprehensive income – items that will not be reclassified subsequently to income:				
Equity instruments designated at Fair Value through Other Comprehensive Income:				
Net unrealized gains (losses) from change in fair value	6,374	6,239	16,102	(16,669)
	4,982	9,787	14,191	(14,614)
Income tax (expense) recovery	(1,307)	(2,586)	(3,725)	3,861
	3,675	7,201	10,466	(10,753)
Cash flow hedges:				
Net unrealized gains (losses) from change in fair value	2,155	(5,293)	16,065	(33,354)
Reclassification of net losses (gains) to income	231	(245)	(234)	2,610
	2,386	(5,538)	15,831	(30,744)
Income tax (expense) recovery	(628)	1,463	(4,161)	8,122
	1,758	(4,075)	11,670	(22,622)
Total other comprehensive income (loss)	5,433	3,126	22,136	(33,375)
Total comprehensive income	76,234	55,608	162,131	45,077

Consolidated statements of changes in shareholders' equity (unaudited)

(\$000s) Three month period ended								June 30, 2021
	Preferred Shares	Common Shares	Contributed Surplus	Retained Earnings	Accumulated other comprehensive income (loss)			Total
					Cash Flow Hedges	Financial Instruments at FVOCI	Total	
Balance, beginning of period	72,194	224,397	7,722	1,449,715	(10,031)	(12,218)	(22,249)	1,731,779
Net Income	-	-	-	70,801	-	-	-	70,801
Other comprehensive income, net of tax	-	-	-	-	1,758	3,675	5,433	5,433
Exercise of stock options	-	489	-	-	-	-	-	489
Purchase of treasury preferred shares	(193)	-	-	-	-	-	-	(193)
Net loss on cancellation of treasury preferred shares	-	-	-	(10)	-	-	-	(10)
Dividends:								
Preferred shares	-	-	-	(1,111)	-	-	-	(1,111)
Common shares	-	-	-	(6,277)	-	-	-	(6,277)
Stock-based compensation	-	-	626	-	-	-	-	626
Transfer relating to the exercise of stock options	-	111	(111)	-	-	-	-	-
Balance, end of period	72,001	224,997	8,237	1,513,118	(8,273)	(8,543)	(16,816)	1,801,537
(\$000s)								June 30, 2020
Balance, beginning of period	72,557	213,701	7,405	1,212,125	(18,306)	(36,781)	(55,087)	1,450,701
Net Income	-	-	-	52,482	-	-	-	52,482
Other comprehensive loss, net of tax	-	-	-	-	(4,075)	7,201	3,126	3,126
Dividends:								
Preferred shares	-	-	-	(1,119)	-	-	-	(1,119)
Common shares	-	-	-	(6,220)	-	-	-	(6,220)
Stock-based compensation	-	-	413	-	-	-	-	413
Balance, end of period	72,557	213,701	7,818	1,257,268	(22,381)	(29,580)	(51,961)	1,499,383

Consolidated statements of changes in shareholders' equity (unaudited)

(\$000s) Six month period ended								June 30, 2021
	Preferred Shares	Common Shares	Contributed Surplus	Retained Earnings	Accumulated other comprehensive income (loss)			Total
					Cash Flow Hedges	Financial Instruments at FVOCI	Total	
Balance, beginning of period	72,477	218,166	8,092	1,387,919	(19,943)	(19,009)	(38,952)	1,647,702
Net Income	-	-	-	139,995	-	-	-	139,995
Other comprehensive income, net of tax	-	-	-	-	11,670	10,466	22,136	22,136
Exercise of stock options	-	5,715	-	-	-	-	-	5,715
Purchase of treasury preferred shares	(476)	-	-	-	-	-	-	(476)
Net loss on cancellation of treasury preferred shares	-	-	-	(20)	-	-	-	(20)
Dividends:								
Preferred shares	-	-	-	(2,225)	-	-	-	(2,225)
Common shares	-	-	-	(12,551)	-	-	-	(12,551)
Stock-based compensation	-	-	1,261	-	-	-	-	1,261
Transfer relating to the exercise of stock options	-	1,116	(1,116)	-	-	-	-	-
Balance, end of period	72,001	224,997	8,237	1,513,118	(8,273)	(8,543)	(16,816)	1,801,537
(\$000s)								June 30, 2020
Balance, beginning of period	72,557	213,277	6,973	1,193,493	241	(18,827)	(18,586)	1,467,714
Net Income	-	-	-	78,452	-	-	-	78,452
Other comprehensive loss, net of tax	-	-	-	-	(22,622)	(10,753)	(33,375)	(33,375)
Exercise of stock options	-	357	-	-	-	-	-	357
Dividends:								
Preferred shares	-	-	-	(2,238)	-	-	-	(2,238)
Common shares	-	-	-	(12,439)	-	-	-	(12,439)
Stock-based compensation	-	-	912	-	-	-	-	912
Transfer relating to the exercise of stock options	-	67	(67)	-	-	-	-	-
Balance, end of period	72,557	213,701	7,818	1,257,268	(22,381)	(29,580)	(51,961)	1,499,383

Consolidated statements of cash flows (unaudited)

(\$000s)	Three months ended		Six months ended		
	Three and six month periods ended	June 30, 2021	June 30, 2020	June 30, 2021	June 30, 2020
CASH FLOWS FROM OPERATING ACTIVITIES					
Net income		70,801	52,482	139,995	78,452
Adjustments for non-cash items in net income:					
Financial instruments at fair value through income		1,778	982	(5,612)	14,344
Amortization of premiums/discount on investments		28	1,148	46	1,457
Amortization of capital assets and intangible costs		7,897	5,504	15,234	10,735
Provision for credit losses		(1,982)	8,847	(2,754)	44,534
Securitization gains		(8,177)	(2,516)	(12,355)	(5,283)
Stock-based compensation		626	413	1,261	912
Income taxes		24,965	18,534	49,396	27,542
Securitization retained interests		11,221	518	21,900	8,998
Changes in operating assets and liabilities:					
Restricted cash		25,398	(198,648)	(3,256)	(126,054)
Securities purchased under reverse repurchase agreements		250,022	299,594	350,188	(50,303)
Loans receivable, net of securitizations		(1,025,059)	(939,714)	(1,672,166)	(1,145,281)
Other assets		(709)	(1,520)	5,198	(3,990)
Deposits		980,721	168,440	2,008,887	404,314
Securitization liabilities		(247,738)	412,120	(508,067)	478,239
Obligations under repurchase agreements		201,271	169,609	(50,606)	91,912
Funding facilities		-	386	-	500,374
Other liabilities		(23,931)	(8,057)	11,647	13,803
Income taxes paid		(15,306)	(420)	(32,531)	(37,919)
Cash flows from (used in) operating activities		251,826	(12,298)	316,405	306,786
CASH FLOWS FROM FINANCING ACTIVITIES					
Proceeds from issuance of common shares		489	-	5,715	357
Dividends paid on preferred shares		(1,111)	(1,119)	(2,225)	(2,238)
Dividends paid on common shares		(6,277)	(6,220)	(12,551)	(12,439)
Cash flows used in financing activities		(6,899)	(7,339)	(9,061)	(14,320)
CASH FLOWS FROM INVESTING ACTIVITIES					
Purchase of investments		(453,543)	(153,815)	(484,850)	(269,777)
Proceeds on sale or redemption of investments		213,111	50,045	229,466	112,226
Net change in Canada Housing Trust re-investment accounts		336	(36,997)	(89)	(60,667)
Purchase of capital assets and system development costs		(9,346)	(7,243)	(17,862)	(13,413)
Cash flows used in investing activities		(249,442)	(148,010)	(273,335)	(231,631)
Net (decrease) increase in cash and cash equivalents		(4,515)	(167,647)	34,009	60,835
Cash and cash equivalents, beginning of period		596,267	737,335	557,743	508,853
Cash and cash equivalents, end of period		591,752	569,688	591,752	569,688
Cash flows from operating activities include:					
Interest received		250,337	275,050	508,152	555,359
Interest paid		(134,229)	(150,628)	(274,186)	(293,723)
Dividends received		1,434	1,522	2,916	3,076

About Equitable

Equitable Group Inc. trades on the Toronto Stock Exchange (TSX: EQB and EQB.PR.C) and serves nearly three hundred thousand Canadians through Equitable Bank, Canada's Challenger Bank™. Equitable Bank has grown to become the country's eighth largest independent Schedule I bank with a clear mandate to drive real change in Canadian banking to enrich people's lives. Founded over 50 years ago, Equitable Bank provides diversified personal and commercial banking and through its EQ Bank platform (eqbank.ca) has been named #1 Bank in Canada on the Forbes World's Best Banks 2021 list. Please visit equitablebank.ca for details.

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Cautionary Note Regarding Forward-Looking Statements

Statements made by the Bank in the sections of this news release, in other filings with Canadian securities regulators and in other communications include forward-looking statements within the meaning of applicable securities laws (forward-looking statements). These statements include, but are not limited to, statements about the Bank's objectives, strategies and initiatives, financial performance expectations and other statements made herein, whether with respect to the Bank's businesses or the Canadian economy. Generally, forward-looking statements can be identified by the use of forward-looking terminology such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "planned", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases which state that certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved", or other similar expressions of future or conditional verbs. Forward-looking statements are subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, closing of transactions, performance or achievements of the Bank to be materially different from those expressed or implied by such forward-looking statements, including but not limited to risks related to capital markets and additional funding requirements, fluctuating interest rates and general economic conditions, legislative and regulatory developments, changes in accounting standards, the nature of our customers and rates of default, and competition as well as those factors discussed under the heading "Risk Management" in the MD&A and in the Bank's documents filed on SEDAR at www.sedar.com. All material assumptions used in making forward-looking statements are based on management's knowledge of current business conditions and expectations of future business conditions and trends, including their knowledge of the current credit, interest rate and liquidity conditions affecting the Bank and the Canadian economy. Although the Bank believes the assumptions used to make such statements are reasonable at this time and has attempted to identify in its continuous disclosure documents important factors that could cause actual results to differ materially from those contained in forward-looking statements, there may be other factors that cause results not to be as anticipated, estimated or intended. Certain material assumptions are applied by the Bank in making forward-looking statements, including without limitation, assumptions regarding its continued ability to fund its mortgage business, a continuation of the current level of economic uncertainty that affects real estate market

conditions, continued acceptance of its products in the marketplace, as well as no material changes in its operating cost structure and the current tax regime. There can be no assurance that such statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements. The Bank does not undertake to update any forward-looking statements that are contained herein, except in accordance with applicable securities laws.

Non-Generally Accepted Accounting Principles (“GAAP”) Financial Measures

This news release references certain non-GAAP measures such as Return on equity, Book value per common share, Loans under management, Efficiency ratio, CET1 Capital Ratio, Assets under management, Liquid assets, and Liquidity Coverage Ratio that management believes provide useful information to investors regarding the Bank’s financial condition and results of operations. The “NON-GENERALLY ACCEPTED ACCOUNTING PRINCIPLES (“GAAP”) FINANCIAL MEASURES” section of the Bank’s Q2 2021 MD&A provides a detailed description of each non-GAAP measure and should be read in conjunction with this release. The MD&A also provides a reconciliation between all non-GAAP measures and the most directly comparable GAAP measure, where applicable. Readers are cautioned that non-GAAP measures often do not have any standardized meaning, and therefore, may not be comparable to similar measures presented by other companies.